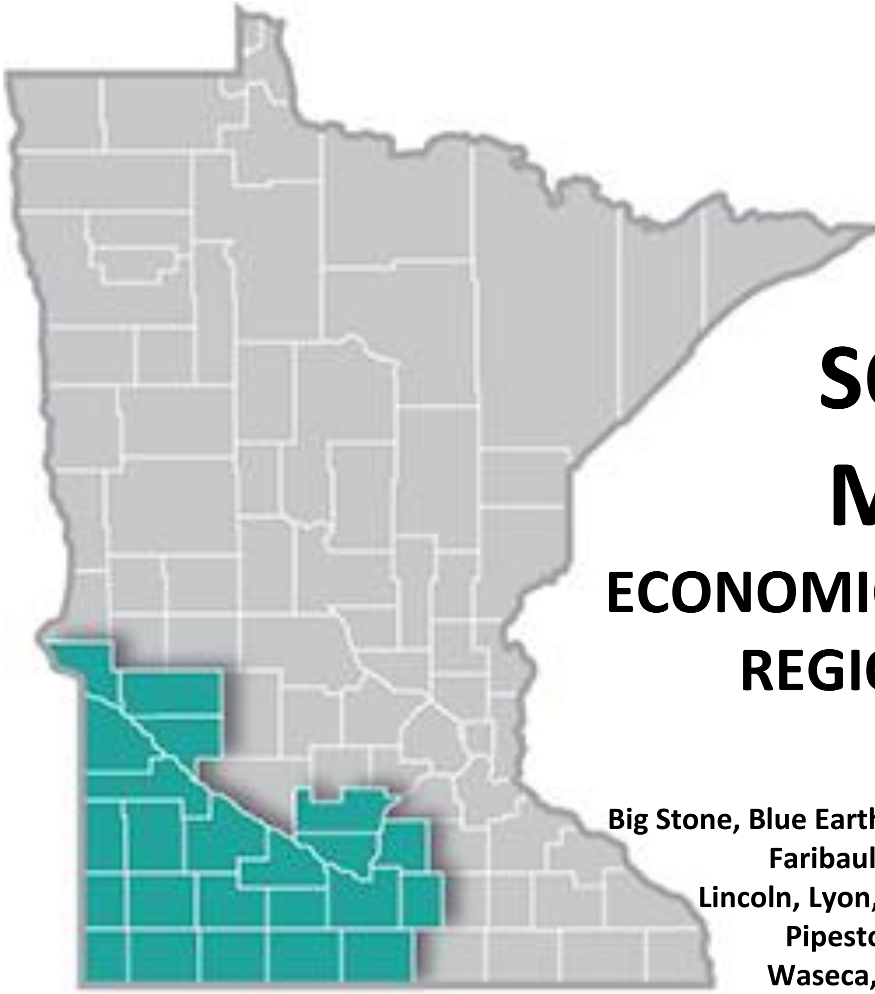

SOUTHWEST MINNESOTA

ECONOMIC DEVELOPMENT REGIONS 6W, 8, and 9

Covers counties:

Big Stone, Blue Earth, Brown, Chippewa, Cottonwood, Faribault, Jackson, Lac qui Parle, Le Sueur, Lincoln, Lyon, Martin, Murray, Nicollet, Nobles, Pipestone, Redwood, Rock, Sibley, Swift, Waseca, Watonwan, and Yellow Medicine

2015 REGIONAL PROFILE

Published September 1, 2015

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DEMOGRAPHICS

POPULATION CHANGE, 2000-2014

The Southwest Minnesota planning region includes a total of 23 counties, covering three Economic Development Regions (EDRs) and two Workforce Development Boards (WDBs). Southwest Minnesota was home to 392,415 people in 2014, comprising 7.2 percent of the state's total population. The region saw a small 0.5 percent decline in population over the past 14 years, primarily due to larger losses in EDR 6W and EDR 8, which was nearly offset by a steady increase in EDR 9. In comparison, the state of Minnesota saw a 10.9 percent gain (see Table 1).

Table 1. Population Change 2000-2014

	2000 Population	2014 Estimates	2000-2014 Change	
			Number	Percent
Southwest Minnesota	**394,518**	**392,415**	**-2,103**	**-0.5%**
Region 6W	50,011	43,673	*-6,338*	*-12.7%*
Region 8	121,717	117,764	*-3,953*	*-3.2%*
Region 9	222,790	230,978	*+8,188*	*+3.7%*
State of Minnesota	**4,919,479**	**5,457,173**	**+537,694**	**+10.9%**

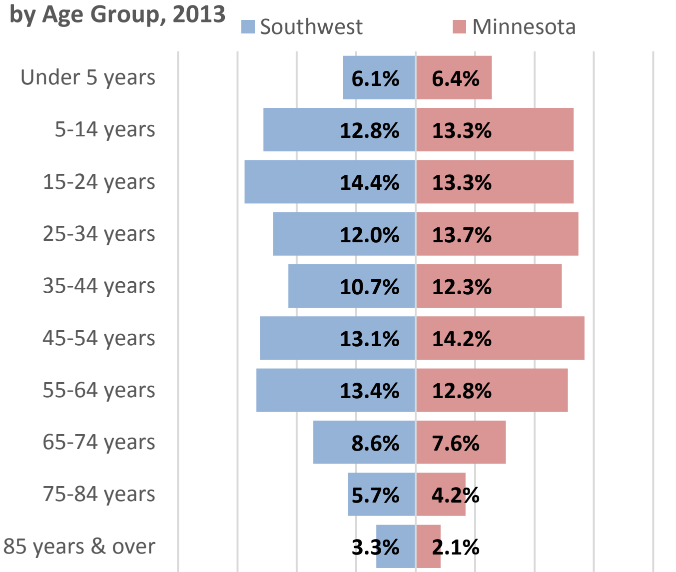
Source: U.S. Census Bureau, Population Estimates

Only 5 of the 23 counties in the region gained population from 2000 to 2014, with the other 18 seeing declines – including Swift County, which was the fastest declining county in the state. The largest counties in the region are Blue Earth and Nicollet County, which make up the Mankato/North Mankato Metropolitan Statistical Area (MSA). With 65,385 people, Blue Earth is the 13th largest county out of 87 in the state, and Nicollet has just over 33,000 people. Other large counties in the region include Le Sueur with 27,770 people, Lyon with 25,665 people, Brown with 25,292 people, and Nobles with 21,590 people.

POPULATION BY AGE GROUP, 2000-2013

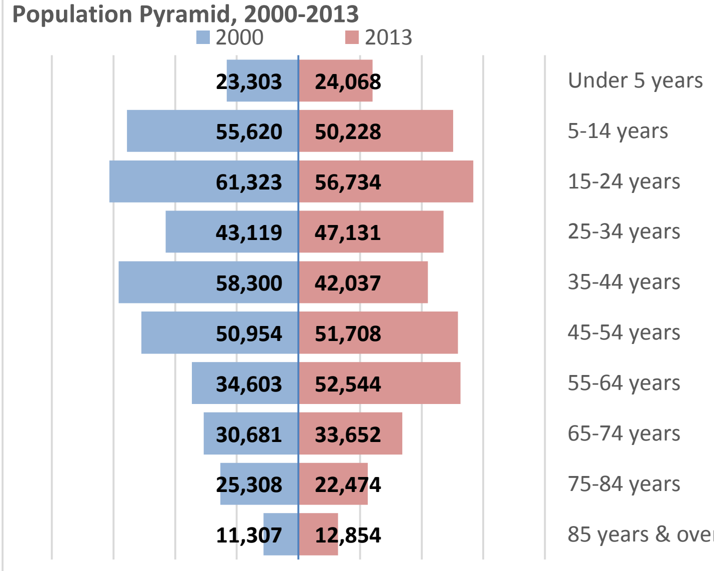
Southwest Minnesota has an older population than the rest of the state, with 17.6 percent of residents aged 65 years and over, compared to 13.9 percent statewide. Consequently, Southwest Minnesota had a lower percentage of people in the 25- to 54-year-old age group, typically considered the "prime working years," as well as a smaller percentage of school-aged children. However, having several postsecondary institutions in the region led to a higher percentage of people aged 15 to 24. More than one-fourth of the region's population was a part of the Baby Boom generation, people born between 1946 and 1964, which is creating a significant shift in the population over time. While the number of younger residents is declining, the number of residents aged 55 years and over was rapidly increasing (see Figure 1 and Figure 2).

Figure 1. Percentage of Population by Age Group, 2013



Source: U.S. Census Bureau, American Community Survey

Figure 2. Southwest Minnesota Population Pyramid, 2000-2013

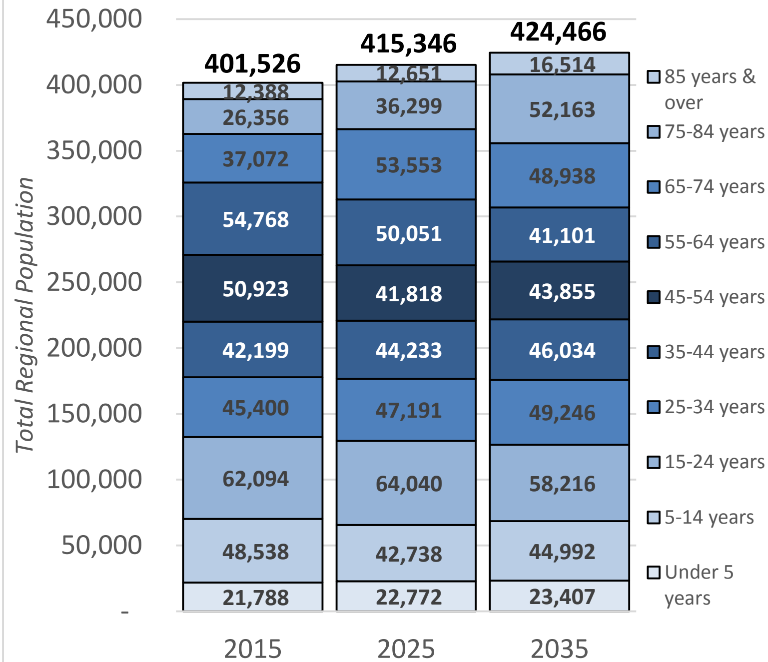


Source: U.S. Census Bureau, American Community Survey

POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

After several decades of population declines in EDR 6W and EDR 8, the entire region is projected to enjoy a population increase in the next twenty years. According to population projections from the State Demographic Center, Southwest Minnesota is expected to gain nearly 23,000 net new residents from 2015 to 2035, a 5.7 percent increase (see Figure 3). In comparison, the state of Minnesota is projected to grow 10.8 percent.

Figure 3. Southwest Minnesota Population Projections by Age Group, 2015-2035



Source: Minnesota State Demographic Center

However, much of this population growth is expected to be in the older age groups. Southwest Minnesota is projected to add nearly 42,000 people aged 65 years and over, a 55 percent increase. The region is also expected to gain people in the 25- to 44-year-old age group, as well as a corresponding increase in children under 5 years of age. In contrast, Southwest Minnesota is expected to lose school-aged children and young adults from 5 to 24 years of age, as well as people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.

POPULATION BY RACE, 2013

Southwest Minnesota's population is less diverse than the state's, but is becoming more diverse over time. In 2013, nearly 94 percent of the region's residents reported White alone as their race, compared to 85.6 percent of residents statewide. The region had much smaller percentages of Black or African American residents, American Indian and Alaska Natives, Asian or Other Pacific Islanders, and people of Two or More Races. However at 5.6 percent, Southwest Minnesota had a higher percentage of people reporting Hispanic or Latino origin than the state, and a similar percentage of people of some other race (see Table 2).

Nobles County had the most diverse populace in the region, including 26.3 percent of residents reporting Hispanic origin, which was highest in the state. Redwood and Lyon also had relatively diverse populations in the region. In contrast, over 97 percent of residents in Big Stone, Brown, Faribault, Lac qui Parle, Lincoln, and Rock County were White alone.

Table 2. Race and Hispanic Origin, 2013	Southwest Minnesota			Minnesota	
	Number	Percent	*Change from 2000-2013*	Percent	*Change from 2000-2013*
Total	**394,440**	**100.0%**	***0.0%***	**100.0%**	***+8.7%***
White	370,037	93.8%	*-1.5%*	85.6%	*+4.0%*
Black or African American	5,573	1.4%	*+106.2%*	5.2%	*+63.0%*
American Indian & Alaska Native	2,250	0.6%	*+13.4%*	1.1%	*+4.6%*
Asian & Other Pac. Islander	6,070	1.5%	*+40.9%*	4.2%	*+56.9%*
Some Other Race	5,140	1.3%	*-19.2%*	1.4%	*+17.4%*
Two or More Races	5,370	1.4%	*+60.6%*	2.5%	*+59.6%*
Hispanic or Latino	21,892	5.6%	*+75.9%*	4.8%	*+79.3%*

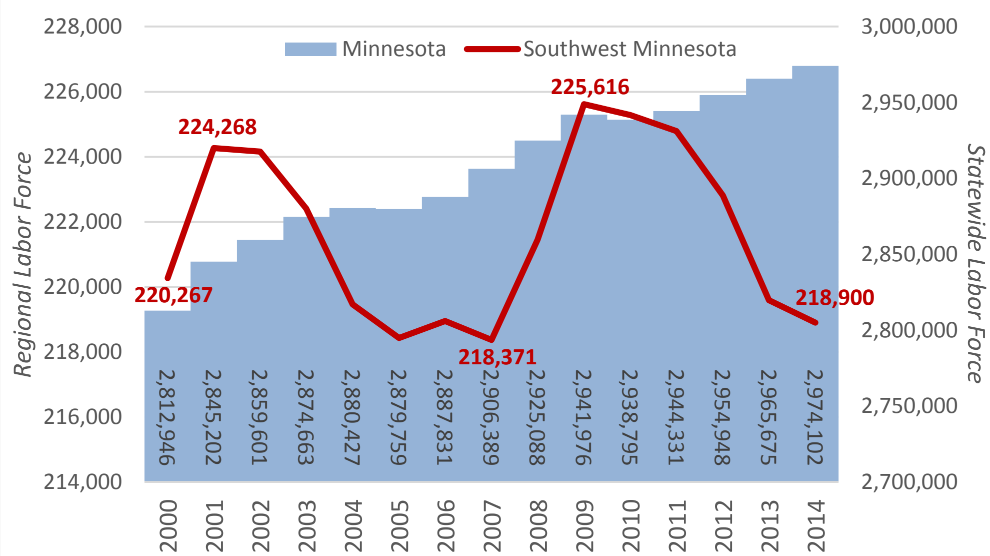
Source: U.S. Census Bureau, American Community Survey

LABOR FORCE

LABOR FORCE CHANGE, 2000-2014

According to data from DEED's Local Area Unemployment Statistics program, Southwest Minnesota has experienced some substantial fluctuations in the size of the available labor force over the last 14 years in response to changing economic conditions. During the recessions in both 2001 and 2007, workers flooded into the labor market to earn extra income; then dropped back out when the region's economy improved. In line with the region's population decline overall, Southwest Minnesota lost about 1,400 workers over the last 14 years, from 220,267 available workers in 2000 to 218,900 workers in 2014. In contrast, the state was gaining workers over the past decade and a half (see Figure 4). As the economy has recovered, the labor market in the region has been getting tighter, with only about 9,000 unemployed workers that were actively seeking work in 2014.

Figure 4. Annual Labor Force Estimates, 2000-2014



Source: DEED Local Area Unemployment Statistics (LAUS)

LABOR FORCE PROJECTIONS, 2015-2025

If Southwest Minnesota's population changes at the projected rates shown in Figure 3 above, the region would be expected to see a continued decline in the labor force over the next decade. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show a small drop in workforce numbers (see Table 3).

In addition to the overall decline, the labor force will also see a significant shift over time, with large gains in the number of workers aged 65 years and over against huge declines in the number of workers aged 45 to 64 years. However, the region is still expected to see gains in the number of entry-level workers and 25 to 44 year olds. The 25 to 54 year old age group will still make up about 55 percent of the total workforce. This will likely lead to a tight labor market in the future as well, with employers needing to respond to the changing labor force availability in the region.

Table 3. Southwest Minnesota Labor Force Projections

	2015 Labor Force Projection	2025 Labor Force Projection	2015-2025 Change	
			Numeric	Percent
16 to 19 years	14,796	14,363	-433	-2.9%
20 to 24 years	23,979	26,334	+2,355	+9.8%
25 to 44 years	78,314	81,733	+3,419	+4.4%
45 to 54 years	45,169	37,093	-8,076	-17.9%
55 to 64 years	42,171	38,539	-3,632	-8.6%
65 to 74 years	11,529	16,655	+5,126	+44.5%
75 years & over	2,325	2,937	+612	+26.3%
Total Labor Force	**218,283**	**217,654**	**-629**	**-0.3%**

Source: *Minnesota State Demographic Center, 2009-2013 American Community Survey 5-Year Estimates*

EMPLOYMENT CHARACTERISTICS, 2013

With 68.9 percent of the population aged 16 years and over in the labor force, Southwest Minnesota had slightly lower labor force participation rates than the state's 70.3 percent rate. However, the region actually had higher labor force participation rates than the state in several age groups, but the overall rate was lower because a higher percentage of Southwest Minnesota's labor force was older (see Table 4).

In contrast, the region had lower participation rates than the state for every race group except Asian or Other Pacific Islanders; and also had large unemployment rate disparities for minority groups. Southwest Minnesota had over 11,700 veterans and more than 11,150 workers with disabilities in the labor force, with both having lower unemployment rates in the region than the state. In sum, unemployment rates were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

Table 4. Employment Characteristics, 2013

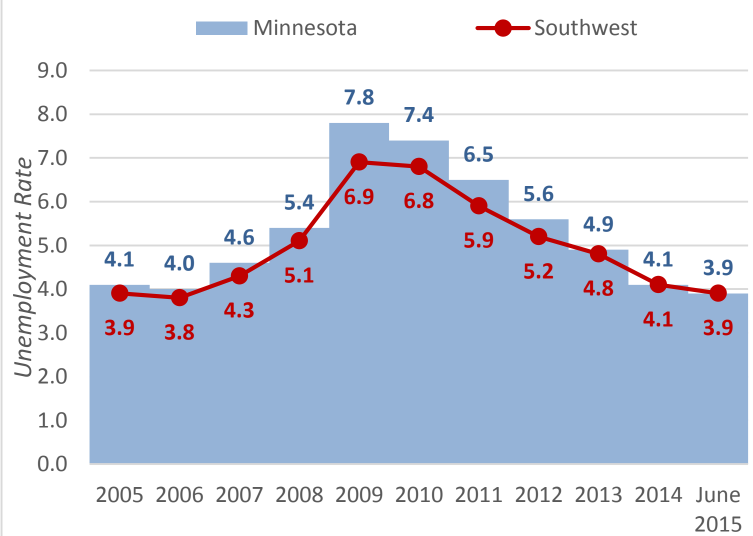
	Southwest Minnesota			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	**216,629**	**68.9%**	**5.4%**	**70.3%**	**7.1%**
16 to 19 years	13,094	56.8%	14.5%	50.9%	20.2%
20 to 24 years	23,713	81.2%	8.7%	81.6%	11.2%
25 to 44 years	80,367	89.4%	5.1%	88.2%	6.3%
45 to 54 years	48,709	88.7%	3.8%	87.5%	5.6%
55 to 64 years	38,766	77.0%	3.4%	71.7%	5.5%
65 to 74 years	9,880	31.1%	3.8%	26.5%	4.5%
75 years & over	2,124	6.0%	6.2%	5.8%	4.6%
Employment Characteristics by Race & Hispanic Origin					
White alone	206,165	69.0%	5.0%	70.5%	6.3%
Black or African American	2,232	58.6%	21.2%	67.6%	17.5%
American Indian & Alaska Native	870	53.8%	9.7%	60.1%	18.8%
Asian or Other Pac. Islanders	3,189	70.7%	7.0%	69.8%	8.5%
Some Other Race	2,388	76.4%	13.5%	77.6%	10.9%
Two or More Races	1,688	66.1%	10.0%	69.0%	14.4%
Hispanic or Latino	9,755	73.9%	12.2%	75.1%	10.4%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	11,719	82.2%	6.9%	77.8%	7.7%
Employment Characteristics by Disability					
With Any Disability	11,164	58.5%	10.4%	51.6%	14.6%
Employment Characteristics by Educational Attainment					
Population, 25 to 64 years	167,828	86.0%	4.3%	84.2%	5.9%
Less than H.S. Diploma	9,332	69.9%	10.3%	66.9%	14.6%
H.S. Diploma or Equivalent	52,894	83.5%	5.5%	79.4%	8.0%
Some College or Assoc. Degree	64,169	88.4%	3.8%	85.6%	6.1%
Bachelor's Degree or Higher	41,442	90.4%	2.3%	89.1%	3.4%

Source: 2009-2013 American Community Survey, 5-Year Estimates

UNEMPLOYMENT RATE, 2005-2015

Southwest Minnesota has consistently reported lower unemployment rates than Minnesota and the nation, regardless of the state of the economy. According to Local Area Unemployment Statistics, the region's unemployment rate hovered just below the state rate from 2005 to 2008, before rising to about 7.0 percent in 2009 and 2010, then dropping back to prerecession levels in 2014 and 2015 (see Figure 5). Southwest Minnesota was home to seven of the 15 lowest unemployment rates in the state in June of 2015, led by Rock County at 2.3 percent.

Figure 5. Unemployment Rates, 2005-2015



Source: DEED Local Area Unemployment Statistics (LAUS)

COMMUTE SHED AND LABOR SHED, 2013

According to commuting data from the U.S. Census Bureau, the vast majority – about 76 percent – of workers who live in the region also work within the region. However, Southwest Minnesota is a net exporter of labor, having slightly more workers than available jobs; not only drawing in workers from surrounding counties but also having residents drive outside the region to find work. In sum, 145,136 workers both lived and worked in Southwest Minnesota in 2013, while another 38,445 workers drove into the region for work, compared to 45,562 workers who lived in the region but drove to surrounding counties for work (see Table 5 and Figure 6).

Table 5. Southwest Minnesota Inflow/Outflow Job Counts (All Jobs), 2013	2013	
	Count	Share
Employed in the Selection Area	183,581	100.0%
Employed in the Selection Area but Living Outside	38,445	20.9%
Employed and Living in the Selection Area	145,136	79.1%
Living in the Selection Area	190,698	100.0%
Living in the Selection Area but Employed Outside	45,562	23.9%
Living and Employed in the Selection Area	145,136	76.1%

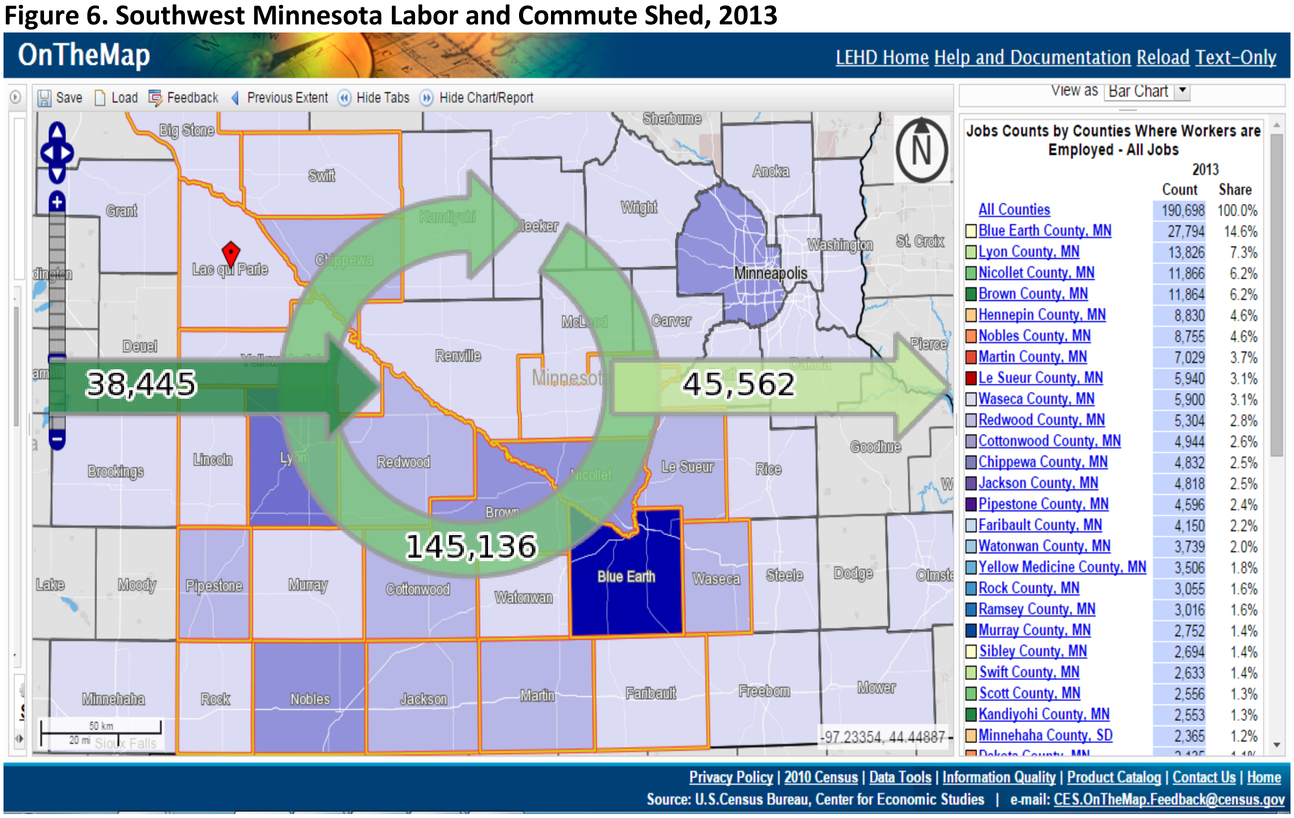
Source: U.S. Census Bureau, OnTheMap

Blue Earth County is the largest employment center in the region and was the biggest draw for workers, followed by Lyon, Nicollet, Brown, Nobles, Martin, Le Sueur, and Redwood County. Employers in the region both lose and draw workers from the Twin Cities metro area, as well as Minnehaha County in South Dakota, which includes the Sioux Falls Metropolitan Statistical Area. In contrast, the region also sends workers out of the region, primarily to larger metro areas including Sioux Falls, as well as the Twin Cities (see Table 6 and Figure 6).

Table 6. Southwest Commuting Data	
Counties outside the region that send the most workers into the region	Counties outside the region that the most workers from inside the region travel to
Hennepin Co. MN	Hennepin Co. MN
Dakota Co. MN	Ramsey Co. MN
Rice Co. MN	Scott Co. MN
Ramsey Co. MN	Minnehaha Co. SD
Scott Co. MN	Dakota Co. MN

Source: U.S. Census Bureau, OnTheMap

Figure 6. Southwest Minnesota Labor and Commute Shed, 2013

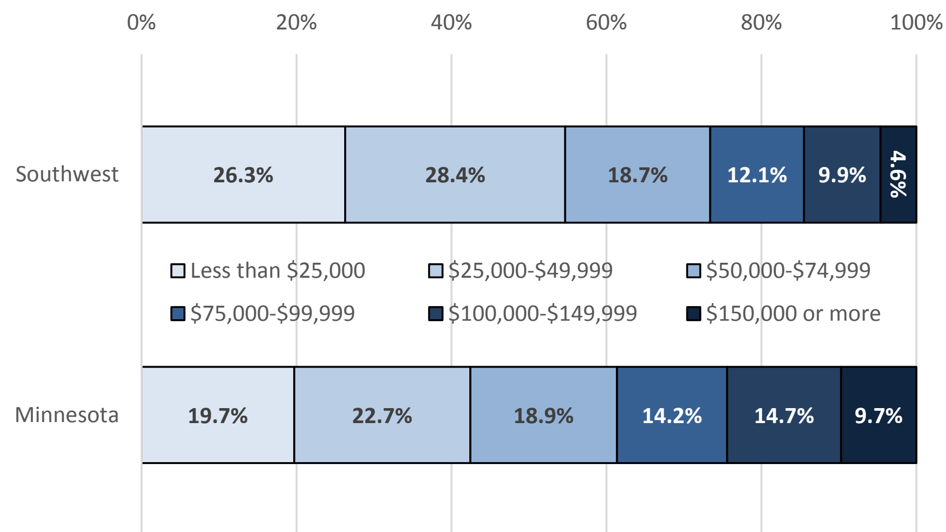


INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were significantly lower in Southwest Minnesota than the rest of the state. Median household incomes ranged from $44,264 in Faribault County, which was the 9th lowest in the state, to $60,115 in Nicollet County, which was the 12th highest. Well over half (54.7%) of the households in the region had incomes below $50,000 in 2013, compared to 42.4 percent of households statewide. About 31 percent of households earned between $50,000 and $100,000 in the region. In contrast, only 14.5 percent of households in Southwest Minnesota earned over $100,000 per year, compared to nearly 25 percent of households statewide (see Figure 7).

Figure 7. Household Incomes, 2013

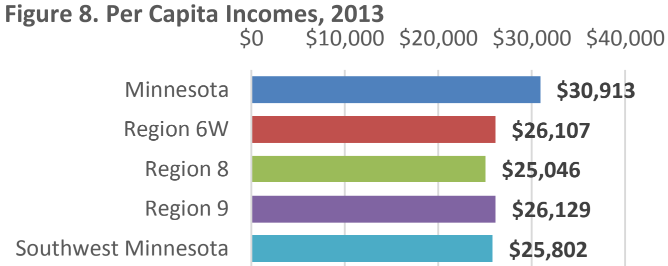


Source: U.S. Census Bureau, 2009-2013 American Community Survey 5-Year Estimates

PER CAPITA INCOMES

Per capita incomes were also lower in the region than the state, ranging from $25,046 in EDR 8 to $26,129 in EDR 9, compared to $30,913 in Minnesota (see Figure 8). The lowest per capita income in the region was found in Cottonwood County ($23,456), while the highest was in Lac qui Parle County ($28,014).

Figure 8. Per Capita Incomes, 2013



Source: American Community Survey

COST OF LIVING

According to DEED's [Cost of Living tool](), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was $50,988 in 2015. The cost of living for a similar family in Southwest Minnesota was $41,352 – which was easily the lowest in the state. The highest monthly costs were for transportation, food, and housing; but the region's housing, child care, taxes, and transportation costs were significantly lower than the rest of the state (see Table 7).

In order to meet the basic cost of living for the region, the workers in the family scenario described would need to earn $13.25 per hour.

Table 7. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2015

Region	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs: Child Care	Food	Health Care	Housing	Trans-portation	Other	Taxes
Southwest	$41,352	$13.25	$209	$766	$398	$701	$933	$205	$234
Minnesota	$50,988	$16.34	$443	$772	$405	$907	$1,039	$235	$448

Source: DEED Cost of Living tool

WAGES AND OCCUPATIONS

According to DEED's Occupational Employment Statistics program, the median hourly wage for all occupations in Southwest Minnesota was $15.48 in the first quarter of 2015, which was the second lowest wage level of the six planning regions in the state. Southwest's median wage was over $3.00 below the state's median hourly wage, equaling just under 80 percent of the statewide wage rate, and $5.00 below the median hourly wage in the 7-County Twin Cities metro area, which would amount to over $10,000 per year for a full-time worker. EDR 8 was the lowest, over $0.50 per hour below EDR 6W at $15.34, $1.20 below EDR 9 at $15.99 (see Table 8).

Table 8. Occupational Employment Statistics by Region, 1st Qtr. 2015	Median Hourly Wage	Estimated Regional Employment
Central Minnesota	$16.66	263,270
Northeast Minnesota	$16.58	141,800
Northwest Minnesota	$15.42	203,060
Twin Cities Metro Area	$20.49	1,691,650
Southeast Minnesota	$17.74	253,990
Southwest Minnesota	**$15.48**	**177,030**
EDR 6W - Upper MN Valley	$15.34	18,380
EDR 8 - Southwest	$14.79	53,380
EDR 9 - South Central	$15.99	105,260
State of Minnesota	**$18.65**	**2,730,020**

Source: DEED Occupational Employment Statistics

Over 15 percent of Southeast Minnesota's jobs are in production, which is nearly double the concentration found statewide. Southwest also has higher concentrations of education, training, and library, healthcare support, and farming workers than the state. Not surprisingly, the lowest-paying jobs are concentrated in food preparation and serving, personal care and service, sales and related, and building, grounds cleaning and maintenance jobs, which tend to have lower educational and training requirements. For the most part, the gap in pay between Southwest Minnesota and the state is also much lower in these jobs (see Table 9).

Table 9. Southwest Minnesota Occupational Employment Statistics, 1st Qtr. 2015

	Southwest Minnesota				State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*	*Location Quotient*	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*
Total, All Occupations	**$15.48**	**177,030**	***100.0%***	*1.0*	**$18.65**	**2,730,020**	***100.0%***
Production	$15.43	27,100	*15.3%*	*1.9*	$16.61	217,830	*8.0%*
Office & Administrative Support	$15.09	23,730	*13.4%*	*0.9*	$17.27	409,100	*15.0%*
Education, Training, & Library	$19.37	17,280	*9.8%*	*1.7*	$22.72	156,090	*5.7%*
Sales & Related	$10.91	15,840	*8.9%*	*0.9*	$13.24	270,540	*9.9%*
Transportation & Material Moving	$14.75	12,930	*7.3%*	*1.2*	$16.18	167,130	*6.1%*
Healthcare Practitioners & Technical	$24.62	8,980	*5.1%*	*0.9*	$31.54	160,390	*5.9%*
Food Preparation & Serving Related	$9.04	8,840	*5.0%*	*0.6*	$9.21	228,640	*8.4%*
Healthcare Support	$11.57	8,010	*4.5%*	*1.4*	$13.63	89,360	*3.3%*
Management	$36.78	7,920	*4.5%*	*0.7*	$47.47	165,730	*6.1%*
Installation, Maintenance, & Repair	$19.45	6,890	*3.9%*	*1.1*	$21.52	94,310	*3.5%*
Personal Care & Service	$10.66	6,320	*3.6%*	*0.8*	$11.11	120,000	*4.4%*
Building & Grounds Cleaning & Maint.	$11.55	6,070	*3.4%*	*1.1*	$12.03	81,560	*3.0%*
Business & Financial Operations	$25.30	5,920	*3.3%*	*0.6*	$30.37	159,970	*5.9%*
Construction & Extraction	$19.98	5,710	*3.2%*	*1.0*	$24.88	91,240	*3.3%*
Community & Social Service	$20.83	3,410	*1.9%*	*1.1*	$20.51	49,210	*1.8%*
Protective Service	$18.25	3,020	*1.7%*	*1.1*	$19.43	43,660	*1.6%*
Architecture & Engineering	$28.57	2,600	*1.5%*	*0.8*	$34.76	50,980	*1.9%*
Arts, Design, Entertainment, & Media	$17.41	1,950	*1.1%*	*0.8*	$21.82	36,430	*1.3%*
Computer & Mathematical	$27.36	1,940	*1.1%*	*0.3*	$37.96	91,560	*3.4%*
Life, Physical, & Social Science	$24.50	1,350	*0.8%*	*0.9*	$30.29	24,410	*0.9%*
Farming, Fishing, & Forestry	$13.83	700	*0.4%*	*3.0*	$14.41	3,570	*0.1%*
Legal	$29.60	550	*0.3%*	*0.5*	$38.48	18,330	*0.7%*

Source: DEED Occupational Employment Statistics, Qtr. 1 2015

In contrast, the highest paying jobs are found in management, legal, architecture and engineering, computer, business and financial operations, healthcare practitioners, and life, physical, and social science occupations, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state are much bigger in these occupations.

JOB VACANCY SURVEY

Employers reported 7,218 job vacancies in the second quarter of 2015, which was the second highest number ever recorded, and a 12 percent increase compared to 2014. Overall, 43 percent of the openings were part-time, 26 percent required postsecondary education, and 30 percent required a year or more of experience. The median hourly wage offer was $12.01 (see Table 10).

Table 10. Southwest Minnesota Job Vacancy Survey Results, 2nd Qtr. 2015

	Number of Total Vacancies	Percent Part-time	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	**7,218**	**43%**	**26%**	**30%**	**28%**	**$12.01**
Food Preparation & Serving Related	1,275	88%	1%	8%	4%	$8.42
Production	739	16%	12%	32%	4%	$13.17
Office & Administrative Support	635	41%	10%	26%	16%	$11.72
Construction & Extraction	616	25%	18%	43%	31%	$13.78
Transportation & Material Moving	587	24%	6%	39%	63%	$12.04
Personal Care & Service	566	67%	11%	9%	10%	$9.70
Sales & Related	519	41%	7%	28%	1%	$10.69
Healthcare Practitioners & Technical	456	37%	97%	52%	96%	$21.96
Education, Training, & Library	338	36%	78%	36%	51%	$16.90
Healthcare Support	282	53%	69%	11%	87%	$10.98
Installation, Maintenance, & Repair	227	1%	49%	17%	7%	$14.85
Building & Grounds Cleaning & Maint.	177	65%	1%	6%	7%	$9.64
Community & Social Service	171	25%	74%	50%	59%	$17.32
Arts, Design, Entertainment & Media	161	46%	11%	56%	24%	$12.46
Management	127	2%	98%	97%	24%	$28.99
Architecture & Engineering	106	2%	91%	76%	36%	$24.38
Business & Financial Operations	67	3%	89%	66%	9%	$19.92
Protective Service	64	89%	6%	25%	83%	$9.17
Computer & Mathematical	46	0%	94%	81%	33%	$28.33
Life, Physical, & Social Science	43	12%	93%	83%	89%	$23.46
Farming, Fishing, & Forestry	14	21%	14%	3%	28%	$13.05

Source: DEED Job Vacancy Survey, 2nd Qtr. 2015

OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, there are well over 200 occupations showing relatively high demand in the region, with training and education requirements ranging from short-term on-the-job training to postsecondary education to advanced degrees.

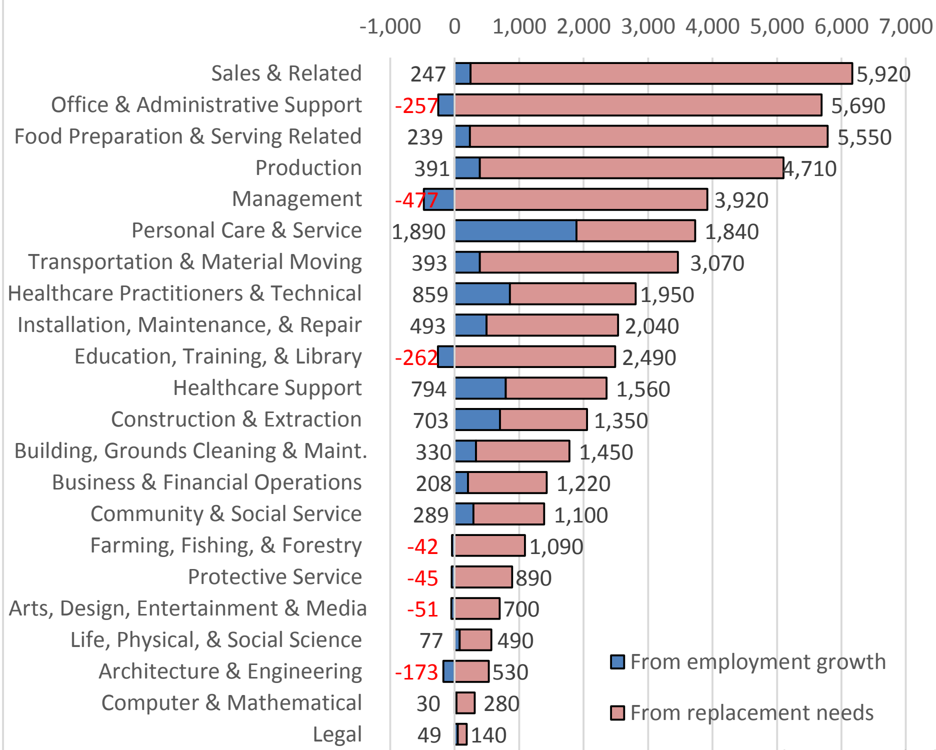
These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, nursing assistants, slaughterers and meat packers, and heavy and tractor trailer truck drivers are among the top occupations in demand based on the consistent need for workers in these industries. Many of the jobs are concentrated in manufacturing, health care, transportation, and other related industries (see Table 11).

Table 11. Southwest Minnesota Occupations in Demand by Education Level, 2014			
Less than High School	**High School or Equivalent**	**Some College or Assoc. Degree**	**Bachelor's Degree or Higher**
Personal Care Aides ($22,605)	Office Clerks, General ($25,562)	Nursing Assistants ($24,856)	Family & General Practitioners ($194,199)
Stock Clerks & Order Fillers ($22,505)	Social & Human Service Assistants ($31,123)	Heavy & Tractor-Trailer Truck Drivers ($38,117)	Secondary School Teachers ($47,289)
Slaughterers & Meat Packers ($27,909)	Tellers ($23,986)	Registered Nurses ($62,221)	Financial Managers ($81,786)
Combined Food Preparation & Serving Workers ($18,418)	Light Truck or Delivery Services Driver ($34,248)	Licensed Practical & Licensed Vocational Nurses ($39,366)	Mechanical Engineers ($70,811)
Cashiers ($19,251)	Route Drivers/Sales Workers ($26,705)	First-Line Supervisors of Production Workers ($52,638)	Industrial Engineers ($73,081)
Packers & Packagers, Hand ($19,313)	Maintenance & Repair Workers, General ($39,627)	Computer Support Specialists ($40,602)	Physicians & Surgeons, All Other ($195,435)
Retail Salespersons ($20,964)	Customer Service Representatives ($31,164)	Medical Assistants ($29,898)	Nurse Practitioners ($103,709)
Laborers & Freight, Stock, & Material Movers ($30,910)	Bus & Truck Mechanics & Diesel Engine Specialists ($38,001)	Hairdressers, Hairstylists, & Cosmetologists ($24,875)	Securities, Commodities & Financial Services Salespeople ($71,734)
Home Health Aides ($22,834)	Farm Equipment Mechanics & Service Technicians ($40,358)	Wind Turbine Service Technicians ($49,172)	Accountants & Auditors ($52,855)
Farmworkers & Laborers ($25,507)	Welders, Cutters, Solderers, & Brazers ($43,902)	Emergency Medical Techs & Paramedics ($28,229)	Industrial Production Managers ($77,503)
			Source: DEED Occupations in Demand

EMPLOYMENT PROJECTIONS

Southwest Minnesota is projected to grow 2.7 percent from 2012 to 2022, making it the slowest growing planning region in the state, which is expected to expand by 7.0 percent. The region could gain about 5,685 new jobs, but will also need to fill 48,000 replacement openings for existing jobs left vacant by retirements and other career changers. In fact, the number of replacement openings is expected to dwarf the number of new jobs in every group except for personal care and service occupations; primarily due to projected growth in personal care aides. Seven occupational groups will not see any new growth, but will still have demand for new workers (see Figure 9).

Figure 9. Southwest Minnesota Employment Projections, 2012-2022

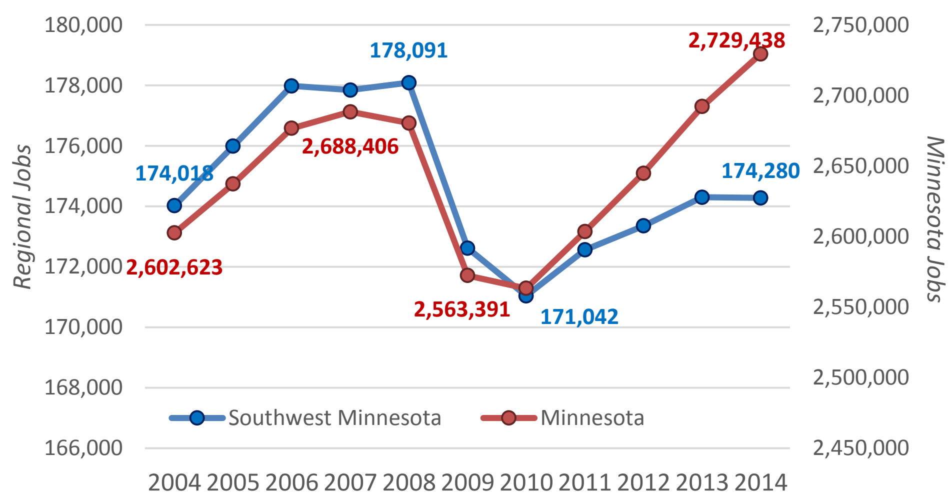


Source: DEED 2012-2022 Employment Outlook

ECONOMY

INDUSTRY EMPLOYMENT

Figure 10. Industry Employment Change, 2004-2014



Source: DEED Quarterly Census of Employment & Wages (QCEW)

Southwest Minnesota has seen employment ups and downs over the past decade, but ended 2014 with almost the same number of jobs as in 2004. The region entered the recession later than the state, still experiencing job growth through 2008, before suffering severe declines in 2009 and 2010. Since then, Southwest Minnesota has recovered much more slowly than the state, which gained jobs at a 6.5 percent clip from 2010 to 2014, compared to a 1.9 percent increase in the region. Southwest Minnesota reached a peak of 178,091 jobs in 2008, then hit a low of 171,042 jobs in 2010, and has still not recovered all of the jobs lost during the recession (see Figure 10).

According to DEED's Quarterly Census of Employment & Wages (QCEW) program, Southwest Minnesota was home to 11,930 business establishments providing 174,280 covered jobs through 2014, with a total payroll of just over $6.45 billion. That was about 6.4 percent of total employment in the state of Minnesota. Average annual wages were $36,972 in the region, which was almost $15,000 lower than the state's average annual wage (see Table 12).

Table 12. Southwest Industry Employment Statistics, 2014				Average	*2010-2014*		*2013-2014*	
Geography	Number of Firms	Number of Jobs	Total Payroll	Annual Wage	*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
Southwest Minnesota	**11,930**	**174,280**	**$6,450,741,939**	**$36,972**	***+3,238***	***+1.9%***	***-22***	***0.0%***
Region 6W	1,528	17,328	$598,124,054	$34,476	*-880*	*-4.8%*	*-181*	*-1.0%*
Region 8	3,949	54,587	$1,917,435,861	$35,100	*+1,498*	*+2.8%*	*+269*	*+0.5%*
Region 9	6,454	102,364	$3,935,182,024	$38,428	*+2,620*	*+2.6%*	*-110*	*-0.1%*
Minnesota	**164,409**	**2,729,438**	**$140,857,248,755**	**$51,584**	***+166,047***	***+6.5%***	***+37,321***	***+1.4%***
Source: DEED Quarterly Census of Employment & Wages (QCEW)								

With 102,364 jobs at 6,454 business establishments, EDR 9 accounts for about 60 percent of total employment in the Southwest Minnesota planning region. EDR 9 also accounted for 80 percent of the region's job growth during the recovery from 2010 to 2014, adding 2,620 net new jobs. In contrast, EDR 6W had the smallest number of firms and jobs, with 17,328 jobs at 1,528 establishments, and saw a decline of 880 jobs in the past five years. EDR 8 had 3,949 establishments providing 54,587 jobs in 2014, after enjoying a 2.8 percent gain in jobs since 2010. EDR 8 also saw an increase in jobs over the past year, while both EDR 6W and EDR 9 saw small job declines from 2013 to 2014. EDR 9 had the highest average annual wages at $38,428, though that was still $13,000 below the state average. Wages were closer to $35,000 in EDR 8 and EDR 6W (see Table 12).

With 31,343 jobs at 615 firms, manufacturing is the largest employing industry in Southwest Minnesota, accounting for 18.0 percent of total jobs in the region. That is about 6.5 percent higher than the state's concentration of employment in manufacturing. In addition, Southwest Minnesota is still adding manufacturing jobs, gaining 941 net new jobs over the past five years. At $45,552 in 2014, average annual wages were $8,580 higher in manufacturing than the total of all industries.

The next largest industry in Southwest Minnesota was health care and social assistance, with 30,410 jobs at 989 firms, after gaining about 250 net new jobs in the past five years. Due to the region's older population, the largest sector was nursing and residential care facilities, followed by hospitals, ambulatory health care services, and social assistance.

Retail trade is the third largest industry, with 20,235 jobs at 1,590 establishments. However, wages are relatively low in retail trade, and the region has seen job declines in retail over the past year.

Other important industries in Southwest Minnesota include educational services, accommodation and food services, public administration, wholesale trade, construction, transportation and warehousing, finance and insurance, other services, and agriculture. Fifteen of the 20 main industries in the region added jobs since 2010, with huge gains manufacturing, agriculture, construction, administrative support (which includes temporary staffing agencies) and waste management services, retail trade, health care, professional and technical services, and transportation and warehousing. In contrast, the region saw job declines in wholesale trade, management of companies, public administration, educational services, and other services (see Table 13).

Table 13. Southwest Minnesota Industry Employment Statistics, 2014

NAICS Industry Title	2014 Annual Data: Number of Firms	Number of Jobs	*Percent of Jobs*	Total Payroll	Avg. Annual Wage	*2010-2014: Change in Jobs*	*Percent Change*	*2013-2014: Change in Jobs*	*Percent Change*
Total, All Industries	**11,930**	**174,280**	***100.0%***	**$6,450,741,939**	**$36,972**	***+3,238***	***+1.9%***	***-22***	***0.0%***
Manufacturing	615	31,343	*18.0%*	$1,427,891,577	$45,552	*+941*	*+3.1%*	*+145*	*+0.5%*
Health Care & Social Assistance	989	30,410	*17.4%*	$1,079,492,288	$35,464	*+256*	*+0.8%*	*+119*	*+0.4%*
Retail Trade	1,590	20,235	*11.6%*	$437,507,700	$21,580	*+460*	*+2.3%*	*-62*	*-0.3%*
Educational Services	227	15,323	*8.8%*	$590,176,562	$38,688	*-142*	*-0.9%*	*+5*	0.0%
Accommodation & Food Services	824	12,650	*7.3%*	$151,964,369	$12,012	*+141*	*+1.1%*	*-125*	*-1.0%*
Public Administration	572	9,537	*5.5%*	$364,715,494	$38,272	*-169*	*-1.7%*	*-27*	*-0.3%*
Wholesale Trade	652	7,759	*4.5%*	$401,015,968	$51,688	*-282*	*-3.5%*	*-71*	*-0.9%*
Construction	1,510	7,748	*4.4%*	$346,957,512	$44,460	*+581*	*+8.1%*	*+136*	*+1.8%*
Transportation & Warehousing	762	6,050	*3.5%*	$213,696,321	$35,360	*+215*	*+3.7%*	*+100*	*+1.7%*
Finance & Insurance	749	5,888	*3.4%*	$303,875,175	$51,584	*+23*	*+0.4%*	*-82*	*-1.4%*
Other Services	1,007	4,968	*2.9%*	$124,042,014	$24,908	*-139*	*-2.7%*	*-5*	*-0.1%*
Agriculture, Forestry, Fish & Hunt	580	4,917	*2.8%*	$183,301,054	$37,180	*+685*	*+16.2%*	*+97*	*+2.0%*
Admin. Support & Waste Mgmt.	356	4,096	*2.4%*	$112,733,754	$27,508	*+517*	*+14.4%*	*-192*	*-4.5%*
Professional & Technical Services	612	4,042	*2.3%*	$195,453,574	$48,308	*+230*	*+6.0%*	*+49*	*+1.2%*
Information	194	2,908	*1.7%*	$125,686,892	$43,212	*+31*	*+1.1%*	*+35*	*+1.2%*
Arts, Entertainment & Recreation	236	1,938	*1.1%*	$28,320,106	$14,612	*+48*	*+2.5%*	*-1*	*-0.1%*
Management of Companies	52	1,827	*1.0%*	$232,037,745	$126,516	*-237*	*-11.5%*	*-131*	*-6.7%*
Real Estate & Rental & Leasing	298	1,242	*0.7%*	$29,340,476	$23,608	*+15*	*+1.2%*	*-15*	*-1.2%*
Utilities	80	1,009	*0.6%*	$76,453,032	$75,816	*+5*	*+0.5%*	*-27*	*-2.6%*
Mining	27	386	*0.2%*	$26,080,326	$68,276	*+60*	*+18.4%*	*+30*	*+8.4%*

Source: DEED Quarterly Census of Employment & Wages (QCEW)

DISTINGUISHING INDUSTRIES

Southwest Minnesota stands out in the state for its higher concentrations of employment in manufacturing and agriculture. Southwest Minnesota has 6.4 percent of total state employment, but has almost 35 percent of the state's jobs in animal production and aquaculture, and over 22 percent of statewide jobs in support activities for agriculture, electrical equipment manufacturing, and food manufacturing. The region also has strengths in printing, machinery manufacturing, and truck transportation (see Table 14).

Table 14. Southwest Minnesota Distinguishing Industries, 2014

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	Location Quotient
Total, All Industries	**0**	**11,930**	**174,280**	**$6,450,741,939**	**$36,972**	**1.0**
Animal Production & Aquaculture	112	294	3,667	$137,474,254	$37,440	5.5
Support Activities for Agriculture	115	93	508	$22,725,860	$44,772	3.6
Electrical Equip., Appliance, & Comp. Mfg.	335	19	2,018	$111,338,075	$55,172	3.6
Fishing, Hunting & Trapping	114	5	31	$304,407	$9,308	3.6
Food Manufacturing	311	108	10,111	$444,454,104	$43,940	3.5
Printing & Related Support Activities	323	61	3,738	$156,681,569	$41,912	2.4
Nonmetallic Mineral Product Mfg.	327	36	1,376	$66,940,897	$48,516	2.4
Gasoline Stations	447	227	2,834	$46,596,642	$16,432	1.9
Machinery Manufacturing	333	64	3,799	$177,205,965	$46,644	1.8
Truck Transportation	484	452	2,916	$111,302,892	$38,116	1.8

Source: DEED Quarterly Census of Employment & Wages (QCEW)

INDUSTRY PROJECTIONS

As noted above, Southwest Minnesota's economy is projected to grow 2.7 percent from 2012 to 2022, a gain of 5,685 new jobs.

The largest and fastest growing industry is expected to be health care and social assistance, which may account for over 70 percent of total projected growth in the region from 2012 to 2022. The region is also expected to see significant employment growth in construction, professional and technical services, administrative support and waste management services, retail trade, wholesale trade, and accommodation and food services. In contrast, the region is expected to see declines in government employment, information, utilities, and other services (see Table 15).

Table 15. Southwest Minnesota Industry Projections, 2012-2022

Industry	Estimated Employment 2012	Projected Employment 2022	Percent Change 2012-2022	Numeric Change 2012-2022
Total, All Industries	**207,849**	**213,534**	**+2.7%**	**+5,685**
Manufacturing	31,654	31,719	+0.2%	+65
Total Government	31,721	30,668	-3.3%	-1,053
Health Care & Social Assistance	25,529	29,605	+16.0%	+4,076
Retail Trade	20,071	20,404	+1.7%	+333
Accommodation & Food Services	11,915	12,153	+2.0%	+238
Wholesale Trade	8,262	8,526	+3.2%	+264
Other Services	8,312	8,265	-0.6%	-47
Construction	7,299	7,809	+7.0%	+510
Finance & Insurance	5,874	5,903	+0.5%	+29
Agriculture, Forestry, Fish & Hunt	5,389	5,519	+2.4%	+130
Transportation & Warehousing	5,123	5,317	+3.8%	+194
Professional & Technical Services	4,069	4,486	+10.2%	+417
Admin. Support & Waste Mgmt.	3,893	4,252	+9.2%	+359
Information	2,914	2,608	-10.5%	-306
Arts, Entertainment, & Recreation	2,507	2,551	+1.8%	+44
Management of Companies	1,977	2,072	+4.8%	+95
Educational Services	1,971	2,037	+3.3%	+66
Real Estate & Rental & Leasing	1,270	1,396	+9.9%	+126
Utilities	772	704	-8.8%	-68
Mining	383	458	+19.6%	+75

Source: DEED 2012-2022 Employment Outlook

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Southwest Minnesota are small businesses, with 54.4 percent of businesses reporting 1 to 4 employees in 2013, according to County Business Patterns from the U.S. Census Bureau. Another 33.2 percent had between 5 and 19 employees; and 10 percent had between 20 and 99 employees. Only 2.2 percent had 100 to 499 employees, though that was in line with the state. Just 22 businesses in the region had more than 500 employees, which is the Small Business Administration's official cut off for a "small business". Obviously then, small businesses are vital to the region's economy (see Table 16).

Table 16. Employers by Size Class, 2013			
	Southwest Minnesota		Minnesota
Number of Employees	Number of Firms	Percent of Firms	Percent of Firms
1-4	6,162	54.4%	54.2%
5-9	2,211	19.5%	17.7%
10-19	1,550	13.7%	13.4%
20-49	855	7.5%	8.9%
50-99	284	2.5%	3.2%
100-249	201	1.8%	1.9%
250-499	40	0.4%	0.5%
500-999	16	0.1%	0.2%
1,000 or more	6	0.1%	0.1%
Total Firms	**11,325**	**100.0%**	**100.0%**

Source: U.S. Census, County Business Patterns

NONEMPLOYER ESTABLISHMENTS

Before growing, the basic building block of most small businesses is a self-employed business. Southwest Minnesota was home to 27,283 self-employed businesses or "nonemployers" in 2013, which are defined by the U.S. Census Bureau as "businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS)." More than covered employment, Southwest Minnesota has seen a small increase in nonemployers over the past decade, responding to economic changes. In sum, the region gained 1,141 new nonemployers from 2003 to 2013, a 4.4 percent increase. The largest amount of nonemployers and the fastest growth occurred in EDR 9, though EDR 6W and EDR 8 also saw increases in self-employment. These nonemployers generated sales receipts of $1.14 billion in 2013 (see Table 17).

Table 17. Nonemployer Statistics, 2013				
	2013		*2003-2013*	
	Number of Firms	Receipts ($1,000s)	*Change in Firms*	*Percent Change*
Southwest Minnesota	**27,283**	**$1,143,102**	***+1,141***	***+4.4%***
Region 6W	3,386	$131,763	*+100*	*+3.0%*
Region 8	8,318	$368,727	*+161*	*+2.0%*
Region 9	15,579	$642,612	*+880*	*+6.0%*
State of Minnesota	**388,900**	**$17,268,230**	***+40,173***	***+11.5%***

Source: U.S. Census, Nonemployer Statistics program

CENSUS OF AGRICULTURE

Finally, one of the most important industries in Southwest Minnesota is agriculture, with 19,151 farms producing nearly $8.4 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Southwest Minnesota had 25.7 percent of the state's farms, and 39.4 percent of the state's total market value, led by Blue Earth, Faribault, Lyon, Martin, Nobles, Redwood and Rock County, which were all among the top 20 counties in the state for the market value of products sold. Despite seeing a small decline in the number of farms, the region saw a 53 percent increase in the market value of products sold from 2007 to 2012, as many farms got bigger and commodity prices went up (see Table 18).

Table 18. Census of Agriculture, 2012			*Change in Market Value, 2007-2012*
	Number of Farms	Market Value of Products Sold	
Southwest Minnesota	**19,151**	**$8,386,406,000**	***+53.4%***
Region 6W	3,612	$1,471,581,000	*+77.6%*
Region 8	7,621	$3,419,803,000	*+45.3%*
Region 9	7,918	$3,495,022,000	*+53.0%*
State of Minnesota	**74,542**	**$21,280,184,000**	***+61.5%***

Source: 2012 Census of Agriculture